

AMENDED IN SENATE JUNE 3, 2015
AMENDED IN SENATE APRIL 7, 2015
AMENDED IN SENATE MARCH 19, 2015

SENATE BILL

No. 114

Introduced by Senator Liu

January 13, 2015

An act to amend Sections 17070.15, 17070.40, 17070.75, 17072.35, 17074.25, 17074.26, 17077.42, and 17592.70 of, to add Sections 17070.78, 17071.15, 17072.40, and 17073.16 to, to add Part 70 (commencing with Section 101100) to Division 14 of Title 3 of, to add and repeal Section 17254 of, and to repeal Sections 17070.99, 17071.33, 17071.35, and 17071.40 of, the Education Code, relating to education facilities, and by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those ~~funds~~, *funds, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 114, as amended, Liu. Education facilities: Kindergarten Through Grade 12 Public Education Facilities Bond Act of 2016.

(1) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

This bill would revise the definition of modernization under the act to include the replacement of facilities on a site containing a permanent

structure that is at least 25 years old or, in the case of a portable classroom, that is at least 20 years old, as specified.

The bill would require a school district, as a condition for participation in the school facilities program, to certify that it has a long-range school facilities master plan that is consistent with the regional sustainable communities strategy, as specified.

The bill would delete a provision requiring the State Allocation Board to conduct an evaluation of the cost of new construction and modernization of small high schools in conjunction with a specified pilot program.

The bill would require each school district that elects to participate in a new construction or modernization program to reestablish eligibility, as specified, and to conduct an inventory of existing facilities for purposes of maintaining a statewide school facilities inventory.

The bill would authorize a grant for new construction or modernization under the act to be used for seismic mitigation purposes and for related design, study, and testing costs, and require the State Allocation Board, in the development of guidelines and regulations, to provide a school district with maximum flexibility in the design, modernization, and new construction of school facilities.

The bill would require the Office of Public School Construction to recommend regulations to the State Allocation Board to provide school districts with flexibility in designing instructional facilities.

The bill would revise the provisions for the funding of joint-use facilities to allow an additional exemption from a general requirement that a joint-use partner contribute to at least 25% of eligible project costs, as specified. This additional exemption would apply if the joint-use agreement specifies that the joint-use partner will provide 100% of the operational costs of the joint-use project for a term of no less than 10 years.

The bill would require the State Department of Education, the Division of the State Architect, the Office of Public School Construction, and the Department of Toxic Substances Control to convene for purposes of developing an interagency plan to streamline the school facilities construction application, review, and audit processes in order to reduce the time and improve the efficiency of the school facilities construction process, as specified. The bill would require that this interagency plan be submitted to the Legislature on or before July 1, 2016.

(2) Existing law, the California Constitution, prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any

previous debts or liabilities exceeds the sum of \$300,000, except by an act that (a) authorizes the debt for a single object or work specified in the act, (b) has been passed by a $\frac{2}{3}$ vote of all the members elected to each house of the Legislature, (c) has been submitted to the people at a statewide general or primary election, and (d) has received a majority of all the votes cast for and against it at that election.

This bill would enact the Kindergarten Through Grade 12 Public Education Facilities Bond Act of 2016 to authorize an unspecified amount of state general obligation bonds, as scheduled, to provide aid to school districts, county superintendents of schools, county boards of education, and charter schools to construct and modernize education facilities. The proceeds of these bonds would be deposited in the 2016 State School Facilities Fund, which the bill would establish as specified.

The proposed bond act would become operative only if approved by the voters at the November 8, 2016, statewide general election, and the bill would provide for its submission to the voters at that election.

(3) This bill would specify that certain of its provisions would become operative only if the Kindergarten Through Grade 12 Public Education Facilities Bond Act of 2016 is approved by the voters at the November 8, 2016, statewide general election.

(4) This bill would make conforming and nonsubstantive changes in related provisions of existing law.

(5) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17070.15 of the Education Code is
2 amended to read:
3 17070.15. The following terms, wherever used or referred to
4 in this chapter, shall have the following meanings, respectively,
5 unless a different meaning appears from the context:
6 (a) “Apportionment” means a reservation of funds for the
7 purpose of eligible new construction, modernization, or hardship
8 approved by the board for an applicant school district.
9 (b) “Attendance area” means the geographical area serving an
10 existing high school and those junior high schools and elementary
11 schools included therein.

(c) “Board” means the State Allocation Board as established by Section 15490 of the Government Code.

(d) “Committee” means the State School Building Finance Committee established pursuant to Section 15909.

(e) “County fund” means a county school facilities fund established pursuant to Section 17070.43.

(f) “Department” means the Department of General Services.

(g) “Fund” means the applicable 1998 State School Facilities Fund, the 2002 State School Facilities Fund, the 2004 State School Facilities Fund, the 2006 State School Facilities Fund, or the 2016 State School Facilities Fund, established pursuant to Section 17070.40.

(h) “Good repair” has the same meaning as specified in subdivision (d) of Section 17002.

(i) “Modernization” means any modification or replacement of a permanent structure that is at least 25 years old, or, in the case of a portable classroom, that is at least 20 years old, that will enhance the ability of the structure to achieve educational purposes.

(j) “Portable classroom” means a classroom building of one or more stories that is designed and constructed to be relocatable and transportable over public streets, and with respect to a single story portable classroom, is designed and constructed for relocation without the separation of the roof or floor from the building and when measured at the most exterior walls, has a floor area not in excess of 2,000 square feet.

(k) “Property” includes all property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of this chapter.

(l) “School building capacity” means the capacity of a school building to house pupils.

(m) “School district” means a school district or a county office of education. For purposes of determining eligibility under this chapter, “school district” may also mean a high school attendance area.

SEC. 2. Section 17070.40 of the Education Code is amended to read:

17070.40. (a) (1) A fund is hereby established in the State Treasury, to be known as the 1998 State School Facilities Fund. All money in the fund, including any money deposited in that fund from any source whatsoever, and notwithstanding Section 13340

1 of the Government Code, is hereby continuously appropriated
2 without regard to fiscal years for expenditure pursuant to this
3 chapter.

4 (2) The board may apportion funds to school districts for the
5 purposes of this chapter from funds transferred to the 1998 State
6 School Facilities Fund from any source.

7 (3) The board may make apportionments in amounts not
8 exceeding those funds on deposit in the 1998 State School Facilities
9 Fund, and any amount of bonds authorized by the committee, but
10 not yet sold by the Treasurer.

11 (4) The board may make disbursements pursuant to any
12 apportionment made from any funds in the 1998 State School
13 Facilities Fund, irrespective of whether there exists at the time of
14 the disbursement an amount in the 1998 State School Facilities
15 Fund sufficient to permit payment in full of all apportionments
16 previously made. However, no disbursement shall be made from
17 any funds required by law to be transferred to the General Fund.

18 (b) (1) A fund is hereby established in the State Treasury, to
19 be known as the 2002 State School Facilities Fund. All money in
20 the fund, including any money deposited in that fund from any
21 source whatsoever, and notwithstanding Section 13340 of the
22 Government Code, is hereby continuously appropriated without
23 regard to fiscal years for expenditure pursuant to this chapter.

24 (2) The board may apportion funds to school districts for the
25 purposes of this chapter from funds transferred to the 2002 State
26 School Facilities Fund from any source.

27 (3) The board may make apportionments in amounts not
28 exceeding those funds on deposit in the 2002 State School Facilities
29 Fund, and any amount of bonds authorized by the committee, but
30 not yet sold by the Treasurer.

31 (4) The board may make disbursements pursuant to any
32 apportionment made from any funds in the 2002 State School
33 Facilities Fund, irrespective of whether there exists at the time of
34 the disbursement an amount in the 2002 State School Facilities
35 Fund sufficient to permit payment in full of all apportionments
36 previously made. However, no disbursement shall be made from
37 any funds required by law to be transferred to the General Fund.

38 (c) (1) A fund is hereby established in the State Treasury, to
39 be known as the 2004 State School Facilities Fund. All money in
40 the fund, including any money deposited in that fund from any

1 source whatsoever, and notwithstanding Section 13340 of the
2 Government Code, is hereby continuously appropriated without
3 regard to fiscal years for expenditure pursuant to this chapter.

4 (2) The board may apportion funds to school districts for the
5 purposes of this chapter from funds transferred to the 2004 State
6 School Facilities Fund from any source.

7 (3) The board may make apportionments in amounts not
8 exceeding those funds on deposit in the 2004 State School Facilities
9 Fund, and any amount of bonds authorized by the committee, but
10 not yet sold by the Treasurer.

11 (4) The board may make disbursements pursuant to any
12 apportionment made from any funds in the 2004 State School
13 Facilities Fund, irrespective of whether there exists at the time of
14 the disbursement an amount in the 2004 State School Facilities
15 Fund sufficient to permit payment in full of all apportionments
16 previously made. However, no disbursement shall be made from
17 any funds required by law to be transferred to the General Fund.

18 (d) (1) A fund is hereby established in the State Treasury, to
19 be known as the 2006 State School Facilities Fund. All money in
20 the fund, including any money deposited in that fund from any
21 source whatsoever, and notwithstanding Section 13340 of the
22 Government Code, is hereby continuously appropriated without
23 regard to fiscal years for expenditure pursuant to this chapter.

24 (2) The board may apportion funds to school districts for the
25 purposes of this chapter from funds transferred to the 2006 State
26 School Facilities Fund from any source.

27 (3) The board may make apportionments in amounts not
28 exceeding those funds on deposit in the 2006 State School Facilities
29 Fund, and any amount of bonds authorized by the committee, but
30 not yet sold by the Treasurer.

31 (4) The board may make disbursements pursuant to any
32 apportionment made from any funds in the 2006 State School
33 Facilities Fund, irrespective of whether there exists at the time of
34 the disbursement an amount in the 2006 State School Facilities
35 Fund sufficient to permit payment in full of all apportionments
36 previously made. However, no disbursement shall be made from
37 any funds required by law to be transferred to the General Fund.

38 (e) (1) A fund is hereby established in the State Treasury, to
39 be known as the 2016 State School Facilities Fund. All money in
40 the fund, including any money deposited in that fund from any

1 source whatsoever, and notwithstanding Section 13340 of the
2 Government Code, is hereby continuously appropriated without
3 regard to fiscal years for expenditure pursuant to this chapter.

4 (2) The board may apportion funds to school districts for the
5 purposes of this chapter from funds transferred to the 2016 State
6 School Facilities Fund from any source.

7 (3) The board may make apportionments in amounts not
8 exceeding those funds on deposit in the 2016 State School Facilities
9 Fund, and any amount of bonds authorized by the committee, but
10 not yet sold by the Treasurer.

11 (4) The board may make disbursements pursuant to any
12 apportionment made from any funds in the 2016 State School
13 Facilities Fund, irrespective of whether there exists at the time of
14 the disbursement an amount in the 2016 State School Facilities
15 Fund sufficient to permit payment in full of all apportionments
16 previously made. However, no disbursement shall be made from
17 any funds required by law to be transferred to the General Fund.

18 SEC. 3. Section 17070.75 of the Education Code is amended
19 to read:

20 17070.75. (a) As a condition for participation in the school
21 facilities program, the board shall require the school district to
22 make all necessary repairs, renewals, and replacements to ensure
23 that a project is at all times maintained in good repair, working
24 order, and condition. All costs incurred for this purpose shall be
25 borne by the school district.

26 (b) In order to ensure compliance with subdivision (a) and to
27 encourage school districts to maintain all buildings under their
28 control, the board shall require an applicant school district to do
29 all of the following prior to the approval of a project:

30 (1) Establish a restricted account within the general fund of the
31 school district for the exclusive purpose of providing moneys for
32 ongoing and major maintenance of school buildings, according
33 the highest priority to funding for the purposes set forth in
34 subdivision (a).

35 (2) (A) Agree to deposit into the account established pursuant
36 to paragraph (1), in each fiscal year for 20 years after receipt of
37 funds under this chapter, a minimum amount equal to or greater
38 than 3 percent of the total general fund expenditures of the
39 applicant school district, including other financing uses, for that
40 fiscal year. Annual deposits to the account established pursuant to

1 paragraph (1) in excess of 2 ½ percent of the school district general
2 fund budget may count towards the amount of funds required to
3 be contributed by a school district in order to receive
4 apportionments from the State School Deferred Maintenance Fund
5 pursuant to Section 17584 to the extent that those funds are used
6 for purposes that qualify for funding under that section.

7 (B) Notwithstanding subparagraph (A), for the 2004–05 fiscal
8 year only, an applicant school district shall deposit into the account
9 established pursuant to paragraph (1), no less than 2 percent of the
10 total general fund expenditures of the school district, including
11 other financing uses, for the fiscal year. The annual deposit to the
12 account in excess of 1 ½ percent of the school district general fund
13 budget for the 2004–05 fiscal year may count towards the amount
14 that a school district is required to contribute in order to receive
15 apportionments from the State School Deferred Maintenance Fund
16 pursuant to Section 17584 to the extent that those funds are used
17 for purposes that qualify for funding under that section.

18 (C) A school district contribution to the account may be provided
19 in lieu of meeting the ongoing maintenance requirements pursuant
20 to Section 17014 to the extent the funds are used for purposes
21 established in that section. A school district that serves as the
22 administrative unit for a special education local plan area may
23 elect to exclude from its total general fund expenditures, for
24 purposes of this paragraph, the distribution of revenues that are
25 passed through to participating members of the special education
26 local plan area.

27 (D) This paragraph applies only to the following school districts:

28 (i) High school districts with an average daily attendance greater
29 than 300 pupils.

30 (ii) Elementary school districts with an average daily attendance
31 greater than 900 pupils.

32 (iii) Unified school districts with an average daily attendance
33 greater than 1,200 pupils.

34 (3) Certify that it has publicly approved an ongoing and major
35 maintenance plan that outlines the use of the funds deposited, or
36 to be deposited, pursuant to paragraph (2). The plan may provide
37 that the school district need not expend all of its annual allocation
38 for ongoing and major maintenance in the year in which it is
39 deposited if the cost of major maintenance requires that the
40 allocation be carried over into another fiscal year. However, any

1 state funds carried over into a subsequent year may not be counted
2 toward the annual minimum contribution by the school district. A
3 plan developed in compliance with this section shall be deemed
4 to meet the requirements of Section 17585.

5 (c) A school district to which paragraph (2) of subdivision (b)
6 does not apply shall certify to the board that it can reasonably
7 maintain its facilities with a lesser level of maintenance.

8 (d) For purposes of calculating a county office of education
9 requirement pursuant to this section, the 3 percent maintenance
10 requirement shall be based upon the county office of education
11 general fund less any restricted accounts.

12 (e) As a condition of participation in the school facilities
13 program or the receipt of funds pursuant to Section 17582, for a
14 fiscal year after the 2004–05 fiscal year, a school district shall
15 establish a facilities inspection system to ensure that each of its
16 schools is maintained in good repair.

17 (f) For purposes of this section, “good repair” has the same
18 meaning as specified in subdivision (d) of Section 17002.

19 SEC. 4. Section 17070.78 is added to the Education Code, to
20 read:

21 17070.78. As a condition for participation in the school
22 facilities program, a school district shall certify that it has a
23 long-range school facilities master plan and that the master plan
24 is consistent with the regional sustainable communities strategy
25 established pursuant to Section 65080 of the Government Code.

26 SEC. 5. Section 17070.99 of the Education Code is repealed.

27 SEC. 6. Section 17071.15 is added to the Education Code, to
28 read:

29 17071.15. Notwithstanding Section 17071.10, the board shall
30 require a school district that elects to participate in the new
31 construction program to conduct an inventory of existing facilities
32 and submit this information to the board, as prescribed by the
33 board, for purposes of maintaining a statewide school facilities
34 inventory.

35 SEC. 7. Section 17071.33 of the Education Code is repealed.

36 SEC. 8. Section 17071.35 of the Education Code is repealed.

37 SEC. 9. Section 17071.40 of the Education Code is repealed.

38 SEC. 10. Section 17072.35 of the Education Code is amended
39 to read:

17072.35. (a) (1) A grant for new construction may be used for any and all costs necessary to adequately house new pupils in any approved project, and those costs may only include the cost of design, engineering, testing, inspection, plan checking, construction management, site acquisition and development, evaluation and response action costs relating to hazardous substances at a new or existing schoolsite, demolition, construction, acquisition and installation of portable classrooms, landscaping, necessary utility costs, utility connections and other fees, equipment including telecommunication equipment to increase school security, furnishings, and the upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology. A grant for new construction may also be used to acquire an existing government or privately owned building, or a privately financed school building, and for the necessary costs of converting the government or privately owned building for public school use. A grant for new construction may also be used for the costs of designs and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high-performance schools. A grant for new construction may be used for seismic mitigation purposes and for related design, study, and testing costs.

(2) An applicant who receives a new construction grant shall ensure that the project incorporates designs and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high-performance schools.

(b) In the development of guidelines and regulations, the board shall provide a school district with maximum flexibility in the design and new construction of school facilities.

SEC. 11. Section 17072.40 is added to the Education Code, to read:

17072.40. The Office of Public School Construction, in consultation with the State Department of Education, shall recommend to the board regulations that will provide school

1 districts with flexibility in designing instructional facilities. These
2 recommendations shall propose revisions to any regulations that
3 limit the ability of school districts to use new construction grants
4 to construct instructional space approved by the State Department
5 of Education. The proposed revisions shall ensure that a school
6 district has the ability to design a facility that provides a flexible
7 learning environment, provides for the integration and use of
8 technology, and serves as an instructional space and learning
9 environment that supports and enhances the educational delivery
10 process.

11 SEC. 12. Section 17073.16 is added to the Education Code, to
12 read:

13 17073.16. The board shall require a school district that elects
14 to participate in the modernization program to conduct an inventory
15 of existing facilities and submit this information to the board, as
16 prescribed by the board, for purposes of maintaining a statewide
17 school facilities inventory.

18 SEC. 13. Section 17074.25 of the Education Code is amended
19 to read:

20 17074.25. (a) (1) A modernization apportionment may be
21 used for an improvement to extend the useful life of, or to enhance
22 the physical environment of, the school. The improvement may
23 only include the cost of design, engineering, testing, inspection,
24 plan checking, construction management, demolition, construction,
25 the replacement of portable classrooms, necessary utility costs,
26 utility connection and other fees, the purchase and installation of
27 air-conditioning equipment and insulation materials and related
28 costs, furniture and equipment, including telecommunication
29 equipment to increase school security, fire safety improvements,
30 playground safety improvements, the identification, assessment,
31 or abatement of hazardous asbestos, seismic safety improvements,
32 and the upgrading of electrical systems or the wiring or cabling of
33 classrooms in order to accommodate educational technology. A
34 modernization grant may not be used for costs associated with
35 acquisition and development of real property or for routine
36 maintenance and repair.

37 (2) A modernization apportionment may also be used for either
38 of the following:

39 (A) The cost of designs and materials that promote the efficient
40 use of energy and water, the maximum use of natural lighting and

1 indoor air quality, the use of recycled materials and materials that
2 emit a minimum of toxic substances, the use of acoustics conducive
3 to teaching and learning, and other characteristics of
4 high-performance schools.

5 (B) Seismic mitigation purposes and related design, study, and
6 testing costs.

7 (3) An applicant that receives a modernization apportionment
8 shall ensure that the project incorporates designs and materials
9 that promote the efficient use of energy and water, the maximum
10 use of natural lighting and indoor air quality, the use of recycled
11 materials and materials that emit a minimum of toxic substances,
12 the use of acoustics conducive to teaching and learning, and other
13 characteristics of high-performance schools.

14 (b) In the development of guidelines and regulations, the board
15 shall provide a school district with maximum flexibility in the
16 design and modernization of school facilities.

17 (c) (1) A modernization apportionment may also be used to
18 demolish and construct a building or buildings on an existing
19 schoolsite if the total cost of providing a new school building,
20 including land, on a new site would not protect the economic
21 interest of the state and school district.

22 (2) A project deemed to meet the requirements of paragraph (1)
23 shall be eligible for a grant equal to the grant provided under
24 Section 17072.10.

25 (d) The board shall establish additional requirements it deems
26 necessary to ensure that the economic interests of the state and the
27 educational interests of the children of the state are protected.

28 SEC. 14. Section 17074.26 of the Education Code is amended
29 to read:

30 17074.26. The board shall adopt regulations to adjust the
31 per-pupil amounts set forth in Section 17074.10 for modernization
32 projects for school buildings that are 50 years old or older based
33 upon the higher costs associated with modernizing older buildings.

34 SEC. 15. Section 17077.42 of the Education Code is amended
35 to read:

36 17077.42. In order to be approved for a grant under this article,
37 the applicant school district shall demonstrate that it has complied
38 with all of the following:

39 (a) The school district has entered into a joint-use agreement
40 with a governmental agency, public community college, public

1 college or public university, or a nonprofit organization approved
2 by the board.

3 (b) The joint-use agreement specifies the method of sharing
4 capital and operating costs, specifies relative responsibilities for
5 the operation and staffing of the facility, and specifies the manner
6 in which the safety of the pupils will be ensured.

7 (c) The joint-use agreement specifies the amount of the
8 contribution to be made by the school district and the joint-use
9 partner toward the 50-percent local share of eligible project costs.
10 The contribution made by a joint-use partner shall be no less than
11 25 percent of eligible project costs, unless either of the following
12 conditions applies:

13 (1) The school district has passed a local bond that specifies
14 that proceeds of sale of the bonds are to be used for the joint-use
15 project, in which case the school district may opt to provide up to
16 the full 50-percent local share of eligible costs.

17 (2) The joint-use agreement specifies that the joint-use partner
18 will provide 100 percent of the operational costs for the joint-use
19 project for a term of no less than 10 years.

20 (d) The school district demonstrates that the facility will be used
21 to the maximum extent possible for both school and community
22 purposes, or both school and higher education purposes, as
23 applicable.

24 (e) (1) The project application qualifies for funding under
25 paragraph (1) of subdivision (b) of Section 17077.40 and the school
26 district has received all approvals necessary for apportionment
27 under this chapter.

28 (2) The project qualifies for funding under paragraph (2) or (3)
29 of subdivision (b) of Section 17077.40 and the school district has
30 completed preliminary plans for the project and has received State
31 Department of Education approval of the plans.

32 SEC. 16. Section 17254 is added to the Education Code, to
33 read:

34 17254. (a) The State Department of Education, the Division
35 of the State Architect, the Office of Public School Construction,
36 and the Department of Toxic Substances Control shall convene
37 for purposes of developing an interagency plan to streamline the
38 school facility construction application, review, and audit processes
39 in order to reduce the time and improve the efficiency of the school
40 facilities construction process.

(b) As part of the interagency plan developed pursuant to subdivision (a), the Superintendent shall identify an entity within the State Department of Education to act as a full-service agency and to assist school districts in navigating the school facilities process. The interagency plan shall be submitted to the Legislature, in accordance with Section 9795 of the Government Code, on or before July 1, 2016.

(c) It is the intent of the Legislature that operative regulatory language adopted by the State Allocation Board before the effective date of this section be reviewed and revised before July 1, 2016, to ensure that the School Facility Program is being implemented in a manner that reduces duplicative processes for the review, approval, and audit of school facility new construction and modernization projects.

(d) This section shall remain in effect only until July 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2021, deletes or extends that date.

SEC. 17. Section 17592.70 of the Education Code is amended to read:

17592.70. (a) There is hereby established the School Facilities Needs Assessment Grant Program with the purpose to provide for a one-time comprehensive assessment of school facility needs. The grant program shall be administered by the State Allocation Board.

(b) (1) The grants shall be awarded to school districts on behalf of schoolsites ranked in deciles 1 to 3, inclusive, on the Academic Performance Index (API), pursuant to Section 52056, based on the 2003 base API score for each school newly constructed prior to January 1, 2000.

(2) For purposes of this section, schools ranked in deciles 1 to 3, inclusive, on the 2003 base API shall include any schools determined by the department to meet either of the following:

(A) The school meets all of the following criteria:

(i) Does not have a valid base API score for 2003.

(ii) Is operating in the 2004–05 fiscal year and was operating in the 2003–04 fiscal year during the Standardized Testing and Reporting (STAR) Program testing period.

(iii) Has a valid base API score for 2002 that was ranked in deciles 1 to 3, inclusive, in that year.

1 (B) The school has an estimated base API score for 2003 that
2 would be in deciles 1 to 3, inclusive.

3 (3) The department shall estimate an API score for any school
4 meeting the criteria of clauses (i) and (ii) of subparagraph (A) of
5 paragraph (2) and not meeting the criteria of clause (iii) of
6 subparagraph (A) of paragraph (2), using available testing scores
7 and any weighting or corrective factors it deems appropriate. The
8 department shall provide those API scores to the Office of Public
9 School Construction and post them on its Internet Web site within
10 30 days of the enactment of this section.

11 (4) For purposes of this section, schools ranked in deciles 1 to
12 3, inclusive, on the 2003 base API shall exclude any schools
13 determined by the department to be operated by county offices of
14 education pursuant to Section 56140.

15 (c) The board shall allocate funds pursuant to subdivision (b)
16 to school districts with jurisdiction over eligible schoolsites, based
17 on ten dollars (\$10) per pupil enrolled in the eligible school as of
18 October 2003, with a minimum allocation of seven thousand five
19 hundred dollars (\$7,500) for each schoolsite.

20 (d) As a condition of receiving funds pursuant to this section,
21 school districts shall do all of the following:

22 (1) Use the funds to develop a comprehensive needs assessment
23 of all schoolsites eligible for grants pursuant to subdivision (b).
24 The assessment shall contain, at a minimum, all of the following
25 information for each schoolsite:

26 (A) The year each building that is currently used for instructional
27 purposes was constructed.

28 (B) The year, if any, each building that is currently used for
29 instructional purposes was last modernized.

30 (C) The pupil capacity of the school.

31 (D) The number of pupils enrolled in the school.

32 (E) The density of the school campus measured in pupils per
33 acre.

34 (F) The total number of classrooms at the school.

35 (G) The age and number of portable classrooms at the school.

36 (H) Whether the school is operating on a multitrack, year-round
37 calendar, and, if so, what type.

38 (I) Whether the school has a cafeteria, or an auditorium or other
39 space used for pupil eating and not for class instruction.

1 (J) The useful life remaining of all major building systems for
2 each structure housing instructional space, including, but not
3 limited to, sewer, water, gas, electrical, roofing, and fire and life
4 safety protection.

5 (K) The estimated costs for five years necessary to maintain
6 functionality of each instructional space to maintain health, safety,
7 and a suitable learning environment, as applicable, including
8 classroom, counseling areas, administrative space, libraries,
9 gymnasiums, multipurpose and dining space, and the accessibility
10 to those spaces.

11 (L) A list of necessary repairs.

12 (2) Use the data currently filed with the state as part of the
13 process of applying for and obtaining modernization or construction
14 funds for school facilities, or information that is available in the
15 California Basic Education Data System for the element required
16 in subparagraphs (D), (E), (F), and (G) of paragraph (1).

17 (3) Use the assessment as the baseline for the facilities inspection
18 system required pursuant to subdivision (d) of Section 17070.75.

19 (4) Provide the results of the assessment to the Office of Public
20 School Construction, including a report on the expenditures made
21 in performing the assessment. It is the intent of the Legislature
22 that the assessments be completed as soon as possible, but not later
23 than January 1, 2006.

24 (5) If a school district does not need the full amount of the
25 allocation it receives pursuant to this section, the school district
26 shall expend the remaining funds for making facilities repairs
27 identified in its needs assessment. The school district shall report
28 to the Office of Public School Construction on the repairs
29 completed pursuant to this paragraph and the cost of the repairs.

30 (6) Submit to the Office of Public School Construction an
31 interim report regarding the progress made by the school district
32 in completing the assessments of all eligible schools.

33 SEC. 18. Part 70 (commencing with Section 101100) is added
34 to Division 14 of Title 3 of the Education Code, to read:

PART 70. KINDERGARTEN THROUGH GRADE 12 PUBLIC
EDUCATION FACILITIES BOND ACT OF 2016

CHAPTER 1. GENERAL

101100. This part shall be known, and may be cited, as the Kindergarten Through Grade 12 Public Education Facilities Bond Act of 2016.

101101. The incorporation of, or reference to, any provision of California statutory law in this part includes all acts amendatory thereof and supplementary thereto.

101102. (a) Bonds in the total amount of _____ dollars (\$____), not including the amount of any refunding bonds issued in accordance with Section 101130, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established by Section 15909 at any different times necessary to service expenditures required by the apportionments.

CHAPTER 2. KINDERGARTEN THROUGH GRADE 12

Article 1. Kindergarten Through Grade 12 School Facilities
Program Provisions

101110. The proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 101120) shall be deposited in the 2016 State School Facilities Fund established in the State Treasury under subdivision (e) of Section 17070.40, and shall be allocated by the State Allocation Board pursuant to this chapter.

101111. All moneys deposited in the 2016 State School Facilities Fund for the purposes of this chapter shall be available

1 to provide aid to school districts, county superintendents of schools,
2 and county boards of education of the state in accordance with the
3 Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5
4 (commencing with Section 17070.10) of Part 10 of Division 1 of
5 Title 1), as set forth in Section 101112, to provide funds to repay
6 any money advanced or loaned to the 2016 State School Facilities
7 Fund under any act of the Legislature, together with interest
8 provided for in that act, and to reimburse the General Obligation
9 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
10 Government Code.

11 101112. (a) The proceeds from the sale of bonds, issued and
12 sold for the purposes of this chapter, shall be allocated in
13 accordance with the following schedule:

14 (1) The amount of ____ dollars (\$____) for new construction
15 of school facilities of applicant school districts under Chapter 12.5
16 (commencing with Section 17070.10) of Part 10 of Division 1 of
17 Title 1.

18 (2) The amount of ____ dollars (\$____) for the modernization
19 of school facilities pursuant to Chapter 12.5 (commencing with
20 Section 17070.10) of Part 10 of Division 1 of Title 1.

21 (3) Of the amount allocated in this subdivision, up to 5 percent
22 shall be available for providing facilities to charter schools pursuant
23 to Article 12 (commencing with Section 17078.52) of Chapter
24 12.5 of Part 10 of Division 1 of Title 1.

25 (b) School districts may use funds allocated pursuant to
26 paragraph (2) of subdivision (a) only for one or more of the
27 following purposes in accordance with Chapter 12.5 (commencing
28 with Section 17070.10) of Part 10 of Division 1 of Title 1:

29 (1) The purchase and installation of air-conditioning equipment
30 and insulation materials, and related costs.

31 (2) Construction projects or the purchase of furniture or
32 equipment designed to increase school security or playground
33 safety.

34 (3) The identification, assessment, or abatement in school
35 facilities of hazardous asbestos.

36 (4) Project funding for high-priority roof replacement projects.

37 (5) Any other modernization of facilities pursuant to Chapter
38 12.5 (commencing with Section 17070.10) of Part 10 of Division
39 1 of Title 1.

(c) Funds allocated pursuant to paragraph (1) of subdivision (a) may also be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1 for funding classrooms for severely handicapped pupils, or for funding classrooms for county community school pupils.

101113. The board shall assign priority for funding under this chapter to applicant school districts that demonstrate participation in a community-based effort to coordinate educational, developmental, family, health, and other comprehensive services by engaging in public and private partnerships with local public entities and other nonprofit or private community partners. Criteria that demonstrate this participation shall include all of the following:

(a) Institutionalized structures for cross-agency collaboration, including, but not limited to, memoranda of understanding to coordinate activities and services.

(b) Agreements for joint use and operations of school facilities, in accordance with the requirements of subdivision (c) of Section 17077.42, that provide for extended hours of use for pupils, families, and the community, integration of libraries, early childhood education, child care centers, senior centers, outdoor recreation or environmental education, arts education, and career technical education and adult education offerings for pupils and community members.

(c) Participation in the State Community Schools Network.

(d) Participation in technical assistance and training, including professional development, for full-service community schools.

(e) Certification that the district's school facilities master plan is consistent with the regional sustainable communities strategy established pursuant to Section 65080 of the Government Code.

Article 2. Kindergarten Through Grade 12 School Facilities Fiscal Provisions

101120. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101100), bonds in the amount of _____ dollars (\$____), not including the amount of any refunding bonds issued in accordance with Section 101130, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the

1 purposes expressed in this chapter and to reimburse the General
2 Obligation Bond Expense Revolving Fund pursuant to Section
3 16724.5 of the Government Code. The bonds, when sold, shall be
4 and constitute a valid and binding obligation of the State of
5 California, and the full faith and credit of the State of California
6 is hereby pledged for the punctual payment of the principal of, and
7 interest on, the bonds as the principal and interest become due and
8 payable.

9 (b) Pursuant to this section, the Treasurer shall sell the bonds
10 authorized by the State School Building Finance Committee
11 established pursuant to Section 15909 at any different times
12 necessary to service expenditures required by the apportionments.

13 101121. The State School Building Finance Committee,
14 established by Section 15909 and composed of the Governor, the
15 Controller, the Treasurer, the Director of Finance, and the
16 Superintendent, or their designated representatives, all of whom
17 shall serve on the committee without compensation, and a majority
18 of whom shall constitute a quorum, is continued in existence for
19 the purpose of this chapter. The Treasurer shall serve as chairperson
20 of the committee. Two Members of the Senate appointed by the
21 Senate Committee on Rules, and two Members of the Assembly
22 appointed by the Speaker of the Assembly, shall meet with and
23 provide advice to the committee to the extent that the advisory
24 participation is not incompatible with their respective positions as
25 Members of the Legislature. For purposes of this chapter, the
26 Members of the Legislature shall constitute an interim investigating
27 committee on the subject of this chapter and, as that committee,
28 shall have the powers granted to, and duties imposed upon, those
29 committees by the Joint Rules of the Senate and the Assembly.
30 The Director of Finance shall provide assistance to the committee
31 as it may require. The Attorney General of the state is the legal
32 advisor of the committee.

33 101122. (a) The bonds authorized by this chapter shall be
34 prepared, executed, issued, sold, paid, and redeemed as provided
35 in the State General Obligation Bond Law (Chapter 4 (commencing
36 with Section 16720) of Part 3 of Division 4 of Title 2 of the
37 Government Code), and all of the provisions of that law, except
38 Section 16727 of the Government Code to the extent that it
39 conflicts with this part, apply to the bonds and to this chapter and

1 are hereby incorporated into this chapter as though set forth in full
2 within this chapter.

3 (b) For purposes of the State General Obligation Bond Law, the
4 State Allocation Board is designated the “board” for purposes of
5 administering the 2016 State School Facilities Fund.

6 101123. (a) Upon request of the State Allocation Board, the
7 State School Building Finance Committee shall determine whether
8 or not it is necessary or desirable to issue bonds authorized pursuant
9 to this chapter in order to fund the apportionments and, if so, the
10 amount of bonds to be issued and sold. Successive issues of bonds
11 may be authorized and sold to fund those apportionments
12 progressively, and it is not necessary that all of the bonds
13 authorized to be issued be sold at any one time.

14 (b) A request of the State Allocation Board pursuant to
15 subdivision (a) shall be supported by a statement of the
16 apportionments made and to be made for the purposes described
17 in Sections 101111 and 101112.

18 101124. There shall be collected each year and in the same
19 manner and at the same time as other state revenue is collected,
20 in addition to the ordinary revenues of the state, a sum in an amount
21 required to pay the principal of, and interest on, the bonds each
22 year. It is the duty of all officers charged by law with any duty in
23 regard to the collection of the revenue to do and perform each and
24 every act that is necessary to collect that additional sum.

25 101125. Notwithstanding Section 13340 of the Government
26 Code, there is hereby appropriated from the General Fund in the
27 State Treasury, for the purposes of this chapter, an amount that
28 will equal the total of the following:

29 (a) The sum annually necessary to pay the principal of, and
30 interest on, bonds issued and sold pursuant to this chapter, as the
31 principal and interest become due and payable.

32 (b) The sum necessary to carry out Section 101128, appropriated
33 without regard to fiscal years.

34 101126. The State Allocation Board may request the Pooled
35 Money Investment Board to make a loan from the Pooled Money
36 Investment Account or any other approved form of interim
37 financing, in accordance with Section 16312 of the Government
38 Code, for the purpose of carrying out this chapter. The amount of
39 the request shall not exceed the amount of the unsold bonds that
40 the committee, by resolution, has authorized to be sold for the

1 purpose of carrying out this chapter. The board shall execute any
2 documents required by the Pooled Money Investment Board to
3 obtain and repay the loan. Any amounts loaned shall be deposited
4 in the fund to be allocated by the board in accordance with this
5 chapter.

6 101127. Notwithstanding any other provision of this chapter,
7 or of the State General Obligation Bond Law, if the Treasurer sells
8 bonds pursuant to this chapter that include a bond counsel opinion
9 to the effect that the interest on the bonds is excluded from gross
10 income for federal tax purposes, subject to designated conditions,
11 the Treasurer may maintain separate accounts for the investment
12 of bond proceeds and for the investment earnings on those
13 proceeds. The Treasurer may use or direct the use of those proceeds
14 or earnings to pay any rebate, penalty, or other payment required
15 under federal law or take any other action with respect to the
16 investment and use of those bond proceeds required or desirable
17 under federal law to maintain the tax-exempt status of those bonds
18 and to obtain any other advantage under federal law on behalf of
19 the funds of this state.

20 101128. For purposes of carrying out this chapter, the Director
21 of Finance may authorize the withdrawal from the General Fund
22 of an amount not to exceed the amount of the unsold bonds that
23 have been authorized by the State School Building Finance
24 Committee to be sold for the purpose of carrying out this chapter.
25 Any amounts withdrawn shall be deposited in the 2016 State
26 School Facilities Fund consistent with this chapter. Any money
27 made available under this section shall be returned to the General
28 Fund, plus an amount equal to the interest that the money would
29 have earned in the Pooled Money Investment Account, from
30 proceeds received from the sale of bonds for the purpose of
31 carrying out this chapter.

32 101129. All money deposited in the 2016 State School Facilities
33 Fund that is derived from premium and accrued interest on bonds
34 sold shall be reserved in the fund, and shall be available for transfer
35 to the General Fund as a credit to expenditures for bond interest.

36 101130. The bonds may be refunded in accordance with Article
37 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
38 Division 4 of Title 2 of the Government Code, which is a part of
39 the State General Obligation Bond Law. Approval by the voters
40 of the state for the issuance of the bonds described in this chapter

1 includes the approval of the issuance of any bonds issued to refund
2 any bonds originally issued under this chapter or any previously
3 issued refunding bonds.

4 101131. The Legislature hereby finds and declares that,
5 inasmuch as the proceeds from the sale of bonds authorized by
6 this chapter are not “proceeds of taxes” as that term is used in
7 Article XIII B of the California Constitution, the disbursement of
8 these proceeds is not subject to the limitations imposed by that
9 article.

10 SEC. 19. The Secretary of State shall submit Section 18 of this
11 act to the voters at the November 8, 2016, statewide general
12 election.

13 SEC. 20. The provisions of this act are severable. If any
14 provision of this act or its application is held invalid, that invalidity
15 shall not affect other provisions or applications that can be given
16 effect without the invalid provision or application.

17 SEC. 21. Sections 1 to 15, inclusive, and Sections 17 and 18
18 of this act shall become operative only if the voters approve the
19 Kindergarten Through Grade 12 Public Education Facilities Bond
20 Act of 2016, as set forth in Section 18 of this act.

21 *SEC. 22. This act is an urgency statute necessary for the*
22 *immediate preservation of the public peace, health, or safety within*
23 *the meaning of Article IV of the Constitution and shall go into*
24 *immediate effect. The facts constituting the necessity are:*

25 *In order to ensure, at the earliest possible time, that the*
26 *electorate is provided with the opportunity to learn about and*
27 *discuss a vote on the financing of necessary educational facilities*
28 *at the November 8, 2016, statewide general election, including*
29 *related statutory changes, it is necessary that this act take effect*
30 *immediately.*